Production Cost of Crude and Refinery Products

639. SHRI PARMESHWAR KUMAR AGARWALLA: Will the PRIME MINISTER be pleased to state:

(a) what have been the costs of production of different companies for crude and of different refinery products, during the last three years;

(b) whether it is a fact that the cost of production of domestic crude and refinery products is increasing;

(c) if so, what measures have been taken to reduce the costs of production of crude and refinery products during the same period and the achievements thereof; and

(d) what is the incentives policy for oil companies and the refineries to reduce their costs of production under cost plus formula or otherwise?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI TR. BAALU): (a) to (d) The weighted average cost of production of crude oil including return on capital employed of ONGC & OIL for the period 1.4.93 to 1.4.96 was provisionally fixed at Rs. 1741/MT. The cost of production of-petroleum products would vary from refinery to refinery depending on the level of crude thruput, pattern of production, delivered cost of crude oil, the cost of processing/refining and the return on capital employed etc. Continuous efforts are made by the oil companies for ensuring cost control and economy in the expenditure by fixation of standard/norms and monitoring the actual performance vis-a-vis norms for corrective action. As per the existing pricing mechanism, there is an inbuilt system of providing incentives/ disincentives for the oil companies to reduce their cost of production and only the normative cost of the refineries are reimbursed.

Production, Consumption and Import of Crude Oil

640. SHRIMATI RENUKA CHOWDHURY: Will the PRIME MINISTER be pleased to state:

(a) the production of crude oil in the country during 1995-96 and during the nine months of April-December, 1996;

(b) the estimated consumption of oil during 1995-96 and 1996-97;

(c) the cost of import of oil during this period;

(d) the oil production target for 1996-97 and the actual production likely to be achieved; and

(e) the steps proposed to be taken to accelerate oil production in the country?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) to (c) The production, consumption and imports of crude oil during 1995-% and from April to December, 1996 was as under:—

Production, Consumption & Imports of Crude Oil
(Qty.: Million Tonnes)

		1995-96	1996-97* April-December
1.	Production of Oil	35.145	24.71
2.	Consumption of Oil	58.741	46.851
3.	Value of imports of crude oil (Rs. crores)	11517	13940

*Provisional

(d) As against the target of 36.312 MMT the crude oil production during 1996-97 is estimated to be around 33 MMT.